1 Top Mid-Cap Growth Stock Perfect for New Investors

Description

It's a hostile market for new investors, but that doesn't mean it's time to postpone any buying activity, especially for your TFSA or RRSP. Inflation is running hot, and it will take a bite out of savings. Though it's easier to stomach 5-6% inflation weighing on your cash than run the risk of losing far more over the course of a week, given just how unforgiving the market selloff has been, I'd argue that cheap equities are the way to go for those looking to do better than the averages in a rough year.

Indeed, nobody knows when the bear market will end or if there's no way to keep the economy intact as those rate hikes kick in. Regardless, investors don't need an economics degree to do well in tough markets like this. By paying less attention to the macro picture (let the rest of the market worry about such) and focusing on individual companies and how they fare when the going gets tough, investors can improve their odds of spotting greater value.

Mid-cap investing: It's worth it!

Remember, it's all about tilting the odds ever so slightly in your favour. The art of value investing is all about getting a little something for free. And when markets slip into a panic, opportunities to pay two or three quarters to get a full dollar increase. In the mid-cap space, markets tend to be less efficient. That means there's a greater chance to score deep value and a shot at higher returns during market dips.

Yes, small- and mid-cap stocks tend to be a tad more volatile on average versus your blue-chip stock atop the **TSX Index**. However, that does not suggest all mid-caps are risky. There are certain mid-caps out there that may actually be more prudent bets than some of the mega-caps out there. At the end of the day, it's all about the quality of a firm and the price you'll pay.

Jamieson Wellness: A promising mid-cap that could fare well in a recession

Jamieson Wellness (TSX:JWEL) stands out as one of the top mid-cap picks out there today. The

$1.53 billion vitamin, mineral, and supplements (VMS for short) maker just turned 100 years old. Undoubtedly, the old-time firm has shown it's more than capable of above-average growth. The stock has more than doubled since going live on the TSX Index nearly five years ago. Indeed, the firm has put the Canadian markets to shame, and that's thanks to the firm's intriguing growth profile.

By appropriately leveraging a powerful 100-year-old brand, Jamieson has been able to thrive in a commoditized VMS market. Indeed, its recent product push and international expansion would not have been possible without going public on the TSX. As a defensive firm that's less likely to see demand implode in a recession, I continue to view JWEL stock as a great mid-cap darling. At 28.5 times trailing earnings, JWEL may not be the cheapest mid-cap stock in the world, but for the calibre of defensive growth you're getting, I'd not be afraid to pay such a multiple, especially fresh off a quarterly beat.

CATEGORY

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